

**FOREIGN RELATIONS AUTHORIZATION FOR FISCAL  
YEAR 2005–2006: DEPARTMENT OF STATE  
MANAGEMENT INITIATIVES**

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**HEARING**

BEFORE THE

SUBCOMMITTEE ON AFRICA, GLOBAL HUMAN  
RIGHTS AND INTERNATIONAL OPERATIONS

OF THE

COMMITTEE ON  
INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES

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## FOREIGN RELATIONS AUTHORIZATION FOR FISCAL YEAR 2005–2006: DEPARTMENT OF STATE MANAGEMENT INITIATIVES

THURSDAY, APRIL 14, 2005

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON AFRICA, GLOBAL HUMAN RIGHTS  
AND INTERNATIONAL OPERATIONS,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The Subcommittee met, pursuant to call, at 2:10 p.m. in room 2172, Rayburn House Office Building, Hon. Christopher H. Smith (Chairman of the Subcommittee) presiding.

Mr. SMITH. The Subcommittee will come to order. I am pleased to convene this hearing of the Subcommittee on Africa, Global Human Rights and International Operations. Today we will be discussing management initiatives in the Department of State's budget. This will be the first in a series of hearings devoted to the preparation and enactment of a foreign relations authorization bill for fiscal years 2005 and 2006.

I am very pleased to welcome our distinguished witnesses: Acting Under Secretary of State for Management, Christopher Burnham.

And in our second panel, Vice President of the American Foreign Service Association, Louise Crane.

Thank you both for being here and thank you for your patience. We have had a series of votes that put us back so we are starting a little late.

The Administration's request for the Department of State's fiscal year 2006 budget, as we know, is \$9.82 billion, an increase of about \$1 billion, or 13.6 percent over fiscal year 2005. Highlights of that budget include \$652 million for international broadcasting, a 10.2 increase; \$430 million for education and cultural exchanges, a 20.9 increase; and a request for more than doubling of the U.S. contributions to international peacekeeping. Not included in the request is funding for United States Embassies in Iraq and Afghanistan, which had been requested in the supplemental, in addition to security initiatives which include \$1.5 billion for security-related construction of U.S. Embassies; \$690 million to increase security for diplomatic personnel; and \$930 million for border security management initiatives—the focus of this hearing today—include \$249 million for information technology, and \$57 million for 221 new staffing positions for operational readiness.

Another major new management initiative included in this year's budget submission is a request for \$57 million to fund the Office

of Stabilization and Reconstruction. This office would coordinate the U.S. Government's civilian response to conditions in failed, failing, and post-conflict states. This initiative—to identify, train, and quickly deploy qualified civilians to address unforeseen emergencies—is long overdue.

I regret Ambassador Carlos Pasquale could not be here today to discuss this important new program, and I look forward to the possibility of his testimony in a future hearing.

In the course of these hearings, Members of the Subcommittee will have numerous specific questions, I am sure, for our witnesses today and those who will follow. Let me begin this process by stating a few central concerns which I hope our distinguished Under Secretary will be able to address.

First, there is a broad perception among the American people that government costs too much. Most Americans are uncomfortable with the idea of government deficits, but prefer to address the problem by reducing the cost of government rather than by paying more taxes.

The officials who are charged with conducting foreign relations of the U.S. have in recent years been particularly strong in their conviction that they and the department are understaffed, underpaid, and generally not adequately appreciated by the American people or by the Congress.

However, after 9/11, I believe we have begun to see a shift in public attitudes and congressional support regarding spending for foreign relations. In fact, the international affairs budget has grown from \$18.7 billion in fiscal year 1996 to a 10-year high last year of approximately \$30 billion. In addition to launching major new initiatives and programs to combat HIV/AIDS and provide development assistance through the Millennium Challenge Account, the Bush Administration has also added 1,100 new personnel to the State Department under the Diplomatic Readiness Initiative (DRI) and beefed up security at American Embassies around the world.

Nevertheless, while overall spending levels are important, how we choose to allocate the limited resources we have is an even better index of what really matters to our Government. Many Americans believe that the cornerstone of our foreign policy should be the promotion of American values; that is, the protection and advancement of fundamental human rights of people around the world. Looking at the State Department budget, I see that the Bureau of Democracy, Human Rights, and Labor has only 104 employees and a budget of just \$14.7 million.

While this is certainly an improvement from the last decade in which the Bureau had 52 employees and a budget of \$6 million, by way of contrast, a functional Bureau similar in size and scope, the Bureau of Oceans and International Environmental and Scientific Affairs has 50 percent more employees—160—and double the budget of DRI, at \$26 million. Surely the United States should desire to promote human rights as much as the environment and reflect that in its allocation of financial resources.

I just point out parenthetically that one of our State Department bills that I had the privilege of being the prime sponsor of that actually got signed into law, called for and achieved that doubling of

the DRL budget. And I remember Amnesty International, of all the provisions in that bill and there were many, were the most pleased and most happy with that, because there had been a lack of focus; good people who work at DRL, but not enough of them.

Each of the six regional bureaus had an average of 1,500 employees. These are the offices the Human Rights Bureau sometimes has to contend with in ensuring that human rights are accorded their rightful priority. They have a combined budget of over \$1.5 billion, or 100 times the budget of the Human Rights Bureau.

This gross disparity, I would say to my colleagues, in resource allocation is not only a poignant symbol of the imbalance in our foreign policy priorities, it also has important practical consequences. For example, Washington officials from the regional bureaus develop their expertise by taking trips to the regions in which they specialize. Officials in the Human Rights Bureau below the rank of Deputy Assistant Secretary almost never have the budget for such trips. It is an unfortunate fact of life that we usually get what we pay for.

Public diplomacy is another area of serious concern. Post-9/11, the role of public diplomacy in improving America's image around the world is understood to be even more critical than ever. Adequate funding is essential to address this problem, and I applaud Congress' decision to increase the funding for public diplomacy in recent years, as well as to support those increased funding levels requested this year.

I would point out that one of the findings of the 9-11 Commission was to provide for and to encourage a robust public diplomacy program and more resources addressed to that vital mission.

However, legitimate questions remain about whether the programs currently being implemented are sufficient to truly change hearts and minds. I would point out that a GAO study released this month about U.S. public diplomacy states that the interagency coordination efforts are hampered by the lack of a national communication strategy. The report notes that several White House and Department of State initiatives have been launched in 2002, 2003, and 2004 to coordinate and target better diplomacy efforts, but their strategic and tactical plans are still in the drafting stage. And in November 2004, independent assessment of the State Department by the Foreign Affairs Council also concluded that integration of public diplomacy into the policy process is still deficient.

We look forward to the arrival of Karen Hughes as the Under Secretary for Public Affairs and are hopeful that she will bring her numerous talents and experience to bear to address these problems.

I would like to say a few words about the importance of information technology. Prior to 2001, State's information technology was widely regarded as the weakest in the U.S. Government. This state of affairs not only affected productivity and communications, it also had serious adverse effects on security and State's ability to attract and retain younger employees. Thanks to the implementation of a top-priority modernization program, the Department of State has completely replaced and modernized its hardware infrastructure and put the Internet on every desktop.

However, the Department is laboring under an outdated telegram system for all of its official internal communications. Implementation of a 21st century messaging and archive retrieval system now under development is critical.

Finally, despite these concerns, I definitely want to congratulate the Administration for the strong results which have come out of several of its management initiatives. The number of persons taking the Foreign Service exam has jumped from 8,000 in 2,000 to almost 20,000 last year, thanks to a dramatically revised recruitment system. Attrition due to normal causes during that same period declined from 4.6 percent to 2.9 percent. Training has expanded some 25 percent.

We will have questions about the current proposals to follow up on these initiatives and these successes, particularly some of the personnel and pay issues that will be raised by the AFSA in our second panel. But I want to say at the outset that we appreciate, admire, and congratulate the efforts by the Department to put its own house in order.

I would like to recognize our Ranking Member, Mr. Payne, my good friend and colleague from New Jersey.

Mr. PAYNE. Thank you very much, Mr. Chairman, and I commend you for calling this very important hearing on the State Department management issues and look forward to hearing the testimony of Mr. Burnham. Let me, though, before I make my few remarks commend you, Mr. Burnham, for your leadership in creating the Resource Management Department, so to speak, and bringing budgeting and accounting and disbursements and strategic planning and budget performance, integrating it into sort of a global financial operation, which I think certainly is an apparatus that will be more efficient, and your background in banking and financial resources certainly has been very helpful in creating this new forward-looking department. So I just wanted to commend you for that.

Let me just mention one issue and I will be relatively brief. Of course, you being new in the State Department, this is an issue that is not new, but it is a continuing issue, realizing that you are not a person that would have been involved with the problem since you are relatively new, you are the messenger, so I do hope that the comments will get back to those who will have a look at what is happening and has been going on for some time.

There is an element in the State Department that has troubled for me sometime, and that is the need for more minorities, particularly African Americans hired within the Department and the absence of senior African American career Foreign Service officers at State Department. I might even add now with the new emphasis on the Middle East, we are certainly having a shortfall in Middle Eastern personnel, people who speak Arabic, people who are Islamic, women.

And so I think that if our State Department is going to reflect the world and to be able to be a little bit more relevant to the world, this only strengthens the United States of America and our diplomatic agenda for the world.

Let me just tell you about a few of my disappointments. I was disappointed to learn that on several occasions, senior career For-



eign Service officers were forced to go into early retirement out of frustration, because they were not given new posts or were left hanging in limbo. Let me be specific. One, a former Ambassador, was denied another ambassadorship—these are career people now—and was sidelined. And this was an Ambassador that had a long and impressive track record. Former Assistant Secretary of State for Africa, a career Ambassador, got no onward ambassadorships after assignment in Europe and retired in frustration. A 31-year career Ambassador was denied an ambassadorship even though she was Director General at the time now in Washington. Foreign Ambassador pulled after 27 years of service allegedly because of one inspector general's report after numerous evaluations. One inspector general had a view—and this Ambassador was removed from the position.

There are more than four cases that I know personally that are pending right as I speak. We have a crisis and a serious problem. This situation, if allowed to continue, could have serious consequences for minorities, especially African Americans. Recruitment and retention of minorities, already a problem, could be more difficult. These senior career foreign officers did not retire or leave the State Department willingly. They were forced out.

It will probably be pointed out that Secretary Rice is an African American herself, but this is an issue that I brought up with former Secretary of State Colin Powell. He had a program that he was implementing aimed at recruiting African Americans. But simply beefing up recruitment efforts is not enough. There are some systemic problems in the State Department, and you wouldn't know, but over the years there have been class actions suits continually which the State Department had consistently lost. So there is some ingrained systemic problems that really need to be looked at in the State Department.

The State Department must treat African American Foreign Service officers with the same amount of respect that officers from other groups receive, and must not target them for being Black or from not being of the same political orientation. Special attention needs to be paid to the promotion and retention of senior Foreign Service officers.

I strongly urge that as the Under Secretary for Management that you direct the Director General to conduct an investigation just to see what is going on, as I have indicated. If our Nation is going to remain strong, relevant, and to be able to do the job we need to do around the world, to have a Department which generally excludes minorities and women is not in the best interest of our security and our future policies.

And so, as I indicated, this is all historic before you took your position. So therefore, I don't even expect a response, but I just wanted to get it on the record and I will be pursuing this as you do assume your new position. Thank you, I yield back the balance.

Mr. SMITH. Ms. Lee.

Ms. LEE. Let me just welcome Mr. Under Secretary and let me just say I appreciate the time that you are spending with us today. And I want to associate myself with the remarks of our Ranking Member, Mr. Payne.

I wanted to just mention a couple of points with regard to the issue of diversity. I think it is very important in this critical moment in American foreign policy that we make sure that our State Department is putting our best face forward in all corners of the world. The United States' engagement in military operations in Iraq and Afghanistan, you know, on top of diplomatic efforts to stabilize the Middle East, I think this is very important for all of us to do within our own power in terms of making sure the State Department has the access to human resources and management capabilities that will repair, quite frankly, our image in the world and will improve our relations with our allies around the world.

So I am especially interested in what the State Department is doing to draw, really, on the cultural diversity of our own Nation as it promotes diplomacy and development in countries and continents where many Americans have roots, such as Mexico, Africa, China and the Middle East, Japan, India.

I can remember Secretary Ron Brown constantly talking about the need to have the face of America in the world because of those connections, because we are a country of immigrants and we have those—this is a plus because we have those ties to people around the world. So I think it is very important that we see this as a strength and begin to ensure that the points that Congressman Payne raised are really implemented and ensure that affirmative action and diversity exists at the State Department.

Thank you, Mr. Chairman, and I yield back the balance of my time.

Mr. BOOZMAN. Mr. Chairman, one thing I will say and I do appreciate having the hearing, but sitting here thinking, I have traveled extensively since I have come to Congress and I have had the opportunity to travel with the Speaker of the House and have gone to Europe extensively. I have just gotten back from Africa with Senator Enzi and Senator Inhofe.

But I will say as we are in those countries, the in-country briefings, the manner that we are treated has been very much the same. I have traveled with people who have been in Congress very long, with the Speaker, and I will say that generally I have been pleased that I am being treated basically the same regardless of who we are with.

I hope you do relay that to your people, that the in-country briefings we get are very, very valuable and help us understand. We can talk about those things here, but until you actually get there and visit with the people that are on the ground and, you know, visit with the populace and then have them help us get to the places that we need to be going and see what is going on, that has been very, very helpful.

And again, like I say, I have been pleased that traveling with some of the most senior Members versus the junior Members, there hadn't been a lot of difference. So I think that is something that is commendable.

Mr. SMITH. I now would like to welcome our very distinguished Acting Under Secretary for Management, Christopher Burnham, who is also the Assistant Secretary for Resource Management and Chief Financial Officer at the State Department.

The creation of the Bureau of Resource Management consolidated all budgeting, accounting and disbursing, strategic planning, budget and performance integration, in global financial operations. The Resource Management office has one of the most prestigious awards in government accounting and reporting 3 years in a row.

Before joining the Bush Administration, Secretary Burnham served as Chief Executive Officer of a leading asset management and mutual fund company, PIMCO's Columbus Circle Investors, and as Vice Chairman of PIMCO's Mutual Fund Group. So if you have any advice along that line, you might want to pass that to us as well.

Mr. Burnham was elected to the Connecticut House of Representatives three times and served as Assistant Minority Leader. He is also a 23-year veteran of the U.S. Marine Corps Reserve and a veteran of the first Gulf War.

Secretary Burnham, thank you for being here and we look forward to your testimony.

Mr. PAYNE. Would you yield a moment? Mrs. Watson came in and wanted to make a brief opening statement.

Mr. SMITH. If you could suspend for a moment.

Ms. WATSON. Thank you so much, Mr. Chairman, for this privilege. I know you wanted to move ahead with the panelists and I want to thank you for calling this hearing, because this Committee has the opportunity to cover a vast array of topics of concern to America's national security, but this particular hearing is on a subject that will judge whether or not we are able to effectively address any of the other challenges.

The State Department remains America's most important structure for protecting America and promoting our values and our interest. To put it another way, our State Department is where America's foreign policy rubber meets the international security road.

I feel very privileged being able to serve my country as an Ambassador to Micronesia, and I could not have performed that job without the support of the dedicated men and women of the United States State Department. These people are still America's best and brightest and we should be proud of them for the work they do, and we should work to protect them from the dangers that they face. But I fear we are not serving the men and women of the State Department as well as they deserve. And I don't believe that we manage the State Department in a way that employs our human capital most effectively.

This problem is hardly limited to the State Department. In fact, I fear it permeates our national security's apparatus from intelligence to defense, to international development and to public health. We have failed to get a grip on how to get the most out of our people.

Now, I have two basic concerns, Mr. Chairman. First, are we hiring the right mix of people with the right skills? Our foreign policy establishment is still overwhelmingly of a single color. This is not simply a social justice issue, but an international security problem. A State Department that doesn't look like America cannot effectively represent American values and interests. Furthermore, a State Department that doesn't look like America cannot effectively

speaking to America about the world at large and America's role in that world.

This second point makes it exceedingly difficult to craft and to carry out an effective foreign policy that has the support of the American people.

My second concern, Mr. Chairman, Are we getting the best results for the people we have? This is something that I feel we have completely failed to get a grip on. I am impressed by the achievements that Secretary Burnham has been able to achieve in his time at State, and I wish to hear from him how we can sustain the progress. But I also feel it is time to start focusing on the next question: Are these management changes achieving the results we need to serve America's goals and interests? And I am glad to see we are hiring more interpreters and better training our officers, but are these people being deployed to where they could be the most useful? Are they getting the skills they most need, and, perhaps most critically, after we are investing in these people and their skills, are we able to retain them?

This second concern led me to write an amendment for the intelligence reform bill in the last Congress, which would have called upon both the State Department and the National Intelligence Director to report to Congress on the effective employment of human capital. I felt then, and still do, that that bill focused its attention on budget authorities and turf wars, but failed to ensure that we had the tools in place to use people in their maximum effectiveness.

My amendment regarding the State Department was included in the International Relations Committee's draft of the bill, but failed to make it into the final version. And I would hope that my concerns on this subject can be addressed this year in our authorization bill.

So I look forward to hearing from our witnesses. And the point I am making is that when you are sure that we have a very well-integrated State Department at the top, that we will have people who can go into these foreign cultures and have cultural sensitivity and perform admirably in terms of our relationships to other countries, and particularly those in the Middle East.

So I want to thank you, Mr. Chairman, for calling this valuable hearing and giving me this time.

Mr. SMITH. Mr. Fortenberry?

Mr. FORTENBERRY. No comments at this time, Mr. Chairman, but thank you for holding the hearing. I appreciate you holding the hearing and learning more about these issues.

**STATEMENT OF THE HONORABLE CHRISTOPHER B. BURNHAM, UNDER SECRETARY FOR MANAGEMENT (ACTING), U.S. DEPARTMENT OF STATE**

Mr. BURNHAM. Thank you, Mr. Chairman, so much, and Mr. Payne and Members of the Subcommittee. I am grateful for the comments that we do a good job in working with Members of Congress when you go to post.

On the other hand, I had a chance to travel with Mr. Payne to Jordan a year ago to attend the economic summit. And it is nice for us to travel with you as well. So thank you, Mr. Payne.

Mr. Chairman, I would like to summarize my remarks and I would ask that my full remarks might appear in the record.

Mr. SMITH. Without objection, your full statement will appear in the record.

Mr. BURNHAM. I would like to break down what we do in management into what I call the six "P"s: People, places, productivity, protection, public diplomacy and policy.

Let me start with people. As Members of this Committee have mentioned, it is the most essential aspect of what we do from ensuring proper staffing levels; enabling training, particularly expanded language training in Chinese, Arabic, and Farsi; meeting the new demands of Iraq, Afghanistan, Libya, the Sudan, and the Office of Reconstruction and Stabilization as well as other policy initiatives of the President. In addition to new diplomatic security and consular positions, we are requesting \$57 million for 221 positions in these critical priorities.

For places, we have over 250 Embassies and Consulates around the world. Seventy percent of them failed to meet basic security standards. Almost 70 percent have some degree of a hardship rating, with 38 percent rated as most hard. Eleven percent also carry a rating that earns our employees danger pay. Yet, thanks to Congress, the Department has been able to build 14 new Embassies and Consulates over the past 4 years and currently has an additional 40 under construction thanks to the George S. Patten of overseas building, General Jack Williams. We are requesting 1.5 billion in fiscal year 2006 and it will add an additional eight Embassies and one Consulate, pay for upgrading compound security at high-risk posts, and address other major physical security and other rehabilitational requirements.

Protection, protection of the American people. The President has requested \$930 million for border security programs to protect our Americans living and traveling abroad and to protect our U.S. borders from illegal entry of terrorists and others who would do us harm. We are also seeking legislative authority to retain revenues generated by increases in passport demand. Due to the Western Hemisphere Travel Initiative mandated by the Intelligence Reform and Terrorism Prevention Act of 2004, the Administration announced the details of this program just last week. We anticipate at the Department that our demand for passports could grow from approximately 8.8 million in 2004 to over 17 million passports by 2008.

To meet this demand, the Department needs to significantly increase its passport adjudication and production capacity. Let me stress that what we have asked for is not to receive money from our existing level of passport issuance, but to meet the new demand due to the Western Hemisphere Initiative to have anything over the 2004 level come to the State Department to pay for that.

Productivity means harnessing the new technologies that are available in the Internet, as well as to increase efficiency and productivity while maintaining momentum on modernization and interagency collaboration. The Chairman has already mentioned SMART and also mentioned Secretary Powell's efforts to link everybody up to the Internet through Open Net Plus.

We have other great successes. In 1994 I was elected Treasurer of the State of Connecticut. In January 1995, when I was sworn in, I was shocked to find out we were running the finances of the State of Connecticut on a Wang computer system, a company that had gone out of business a decade earlier. I thought never again, either in business or in public service, would I ever find a Wang computer system. Not so, Mr. Chairman. I arrived here in 2001 and I had another Wang computer system, in fact, two, which we operated until last fall when we retired.

I proudly note one of the Secretary's prized possessions was the plate we pried off of the Wang computer in the basement of the Department and presented to Secretary Powell, which he brought home with him.

We are upgrading to a modern real-time global financial management platform, a difficult thing that every global corporation around the world is attempting to do, yet I think we are leading the world in this effort. We have a logistics management system, purchasing supply, transportation, warehousing and inventory, which we are also trying to bring up to the 21st century.

And finally, this would be the second most important behind what you have already mentioned, Mr. Chairman, which was the replacement of our 60-plus-year-old cabling communication system. The SMART system is GIMM, the Global Information Management Modernization program that has anywhere from 89 to 90 million—87 million requested in fiscal year 2006 alone—to make sure that we continue to upgrade the platform on a regular 3-year replacement cycle.

Public diplomacy, Mr. Chairman, you have already spoken about. Karen Hughes' imminent arrival at the State Department pending confirmation by the United States Senate—we are looking forward to that and we are all well aware of the needs that we must now do within the public diplomacy arena if we are going to continue on the successes we have had in countries around the world in bringing American values and American respect for democracy and freedom abroad.

The last "P" is policy. The President has boldly launched a number of critical initiatives from the Global AIDS Initiative and Millennium Challenge Account. Other requirements such as peace-keeping and contributions to international organizations and a negative exchange rate environment continue to tug on our resources. But these added requirements will require additional personnel, additional resources, and it is essential that we find the funds to meet these concerns.

Let me just close with one other thing, which is a little bit off the topic, Mr. Chairman, and that is the supplemental. The supplemental is going forward. Obviously, within that supplemental, we requested an original amount of \$658 million for a new Embassy compound in Baghdad. I can't stress enough how important that is to the men and women of the State Department, to the men and women who are living in trailers behind the old Republican palace in Baghdad, to the men and women who are laboring within that building, which I know you know is a dysfunctional building, and how anxious we are to return it to the Iraqis for their own use and get us in a first-class space for our Americans in Baghdad and

throughout Iraq. So we ask, sir, that that—I would extend to you this is my number one priority for the supplemental.

If I could, let me just comment on a couple of things which the panel commented. On democracy, human rights, and labor versus oceans and the environment, I will just note that many of those things are also in the democracy area rule of law conducted by USAID. So it is difficult to do an apples-to-apples comparison.

I have a background in corporate finance. We make our living doing comparables of one corporation to another. Where we see inequities, we either buy it, break it up, or sell it. One of the frustrating things for me as Chief Financial Officer has been the inability to do an apples-to-apples comparison, even from a budget 1 year to the next, because of supplementals and the way we move money, from global AIDS, to child survival and health, to the global AIDS initiatives. And other initiatives both on the part of the Administration and on the part of Congress make it difficult to reduce that to an apples-to-apples comparison.

In making that comparison, we must look at the laudable efforts in that arena of USAID. Mr. Payne, I would welcome the opportunity to come up here with our Director General, Ambassador Bob Pearson, first to define exactly what you would like to know rather than just to take up our brief comments that we have had here at this meeting; to come up here in the next 2 weeks or 3 weeks, depending on your schedule, to go over these things. And I would like to welcome other Members who would like to join and then we will go back to exactly what you are doing. You know, of course, Secretary Powell was deeply committed to this. Secretary Rice is deeply committed to this. Secretary Rice is also deeply committed to recruiting more women into the Foreign Service, which is also very, very important. And I also want to add that she has spoken at length to us in meetings about making the State Department reflect the culture and the breadth and depth of America and have others see that the strength of our society is in this multicultural democracy of ours and how well it works here, so that this is really a shining example for our countries abroad.

Congresswoman Watson—I want to call you Ambassador Watson—we are looking at all the aspects that you raised here, the right people with the right skills. Recently Secretary Rice has adopted virtually the same words you used today. The questions: Are we recruiting the right individuals? Do they have the right skills set? What does the State Department look like in 20/20 vision? What will an Embassy look like? What are the skill sets, the political, management, consular officer, are those still applicable?

In my own words, the historical role of a Foreign Service officer to observe and report has changed, and to the words of Secretary Rice recently, demarche and advocate. It is sometimes tough for people from the business world to come to Washington, DC and use terms which we are not used to down here in Washington. I like to think of our Embassies as factory floors where we produce a widget called diplomacy. That always raises a few eyebrows when I say it. And I like to use the word “sales” rather than “advocacy.” We need to go out there and sell our programs and sell what America stands for and what we need other nations to do to come and

join the family of nations in open and free societies that respect each other and each other's cultures.

With that, let me conclude and say I look forward to your questions.

[The prepared statement of Mr. Burnham follows:]

PREPARED STATEMENT OF THE HONORABLE CHRISTOPHER B. BURNHAM, UNDER  
SECRETARY FOR MANAGEMENT (ACTING), U.S. DEPARTMENT OF STATE

#### INTRODUCTION

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to testify today in support of the management portions of the President's FY 2006 budget request for the Department of State.

The President's top foreign policy priority is winning the war on terrorism. The United States is engaged in a new kind of war—the global war on terrorism. Defeating such an enemy requires vigilance, tenacity, and international cooperation on an unprecedented scale.

Yet despite the altered security environment and the hard realities of terrorism, America remains committed to an historic mission—the expansion of freedom and democracy. This mission is consistent with our deepest principles and vital to our national interests. For widening the circle of human liberty is the surest way to decrease the appeal of terrorism and build peaceful societies based on individual aspirations and hope.

These are ambitious yet necessary goals to safeguard the security and well-being of our nation. Full funding of the FY 2006 request for the Department's management initiatives will provide the resources we need to sustain a strong diplomatic platform that effectively supports the work of the men and women of the State Department, both in Washington and overseas, as well as the employees of more than thirty other agencies working at our side at American embassies and consulates worldwide.

I wish to thank the members of the subcommittee for their past support of the State Department's management initiatives. The State Department has earned a strong record of accomplishments in the management area over the past four years. I would like to give you a sampling of these achievements, many of which depended on Congressional funding support.

#### STATE DEPARTMENT'S MANAGEMENT ACCOMPLISHMENTS

##### *President's Management Agenda (PMA):*

I first want to underline our success in implementing the President's Management Agenda (PMA)—the strategy for improving the management and performance of the Federal government. The PMA emphasizes five government-wide initiatives—human capital, competitive sourcing, improved financial performance, expanded electronic government, and budget and performance integration. In addition to the government-wide initiatives, the Department is taking a lead role in carrying out the PMA initiative on a Rightsized Overseas Presence.

The Department of State has achieved measurable progress in implementing the PMA and is now in the top tier of the 26 PMA agencies. We started in 2001 with red (the lowest score) for both status and quarterly progress on all five initiatives, but I'm proud to say that State is now one of only four agencies with green (the highest) status scores on four of the five initiatives. The only one on which we have not yet reached green, but we are actively engaged in getting there, is competitive sourcing. In support of the rightsizing initiative, and at the direction of Congress, we established the Office of Rightsizing the U.S. Government Overseas Presence last year to lead the Department's effort to develop internal and interagency mechanisms to better coordinate, rationalize, and manage the deployment of personnel overseas under Chief of Mission (COM) authority.

##### *People:*

- We improved our recruiting and hiring processes to ensure we hire the best talent available.
- We are developing a new set of requirements for Foreign Service employees who wish to compete for promotion into the senior ranks. Requirements include broader functional and regional expertise, additional training and language requirements, and hardship service.



- We are building the professional skills of our Civil Service employees, including expanded entry-level orientations, an accelerated hiring process, a broad-based mentoring program, a robust Presidential Management Fellows program, and full access to training for professional and critical needs.
- Overall, the Foreign Service Institute provided 40% more training in FY 2004 than in FY 2001.
- Under the mandatory leadership training for mid-level Foreign Service and Civil Service employees begun in 2002, the Foreign Service Institute's Leadership and Management School has already trained more than 5,000 employees, on track to train the entire target group by the end of December 2006.
- We expanded our capacity to train students in Arabic at our language schools in Washington and Tunis. In FY 2001, enrollments of State employees in any form of Arabic training (part-time, full-time, etc.) totaled 121, whereas in FY 2004 that number was 341. Currently there are over 200 State Department employees enrolled *full-time* in Arabic training, an increase of 100% since FY 2001.

*Security:*

- We have made numerous technical upgrades to the security systems at our domestic and overseas facilities. Overseas this includes physical security upgrades such as forced-entry/ballistic-resistant doors and windows, perimeter security, and safe havens and technical security systems such as upgraded CCTV coverage with digital recording of events and improved alarm systems.
- We have made substantial progress on combating visa and passport fraud through the strong partnership of our Bureaus of Consular Affairs (CA) and Diplomatic Security (DS). Expanded DS investigative efforts have led to an 82 percent increase in the total number of individuals arrested for passport and visa fraud from FY 2002 to FY 2004 (from 401 arrestees to 725 arrestees).
- Our Bureau of Diplomatic Security is automating the security clearance process. We have decreased the processing time for issuing a security clearance by 45% and have virtually eliminated the backlog of full-time employees with clearances older than five years.
- Our Bureau of Consular Affairs:
  - Successfully implemented the Biometric Visa Program at all visa-adjudicating posts ahead of the Congressionally-mandated October 26, 2004 deadline. This information is shared with Department of Homeland Security inspectors at ports of entry.
  - Developed a new generation U.S. passport that incorporates state of the art security and printing features. This new passport will also incorporate an integrated chip onto which the Department will write the bearer's photograph and the same biographic data as found on the passport's data page.
  - Deployed the Internet Based Registration System (IBRS), which permits American citizen travelers to register their foreign plans and contact information via the Department's Internet site.

*Technology:*

- With the help of Congress, the Department has made great strides in modernizing our IT infrastructure and systems:
  - Internet access at every desktop.
  - Classified connectivity for all those authorized to have it.
  - We have implemented a four-year technology modernization cycle for Department networks worldwide—classified and unclassified.
  - IT staff skills have been upgraded; hiring, retention, and training issues have been addressed.
- The Information Technology implementations are changing the way the Department does diplomacy:
  - Remote posts are less isolated as a result of global networks.
  - Flexible email has replaced rigidly formatted cables for much of the Department's workforce.
  - The Internet is now a vital information resource to all Department employees worldwide and a vehicle for outreach.
  - Electronic commerce is well established for on-line acquisition.
  - Strengthened computer security and the completion of information assurance authorization on major IT systems in the Department ensures we can

depend on the confidentiality, integrity and availability of critical information.

*Facilities:*

- We have established a stronger, more responsive Overseas Buildings Operations Bureau (OBO) which has implemented a Long-Range Overseas Buildings Plan (the fourth edition covering FY 2005 to FY 2010 was issued in February), continued to hone its Standard Embassy Design, and introduced a new Disciplined Approach to Management designed to ensure construction projects are completed within scope and budget and on time.
- We greatly accelerated the construction of safe, secure, and functional embassies through management efficiencies as well as the creation of the Capital Security Cost Sharing Program, a \$17.5 billion program to replace 150 posts over 14 years. In most cases, embassy construction time has been reduced from more than four years down to two.
- OBO is currently managing \$4.7 billion in construction projects, compared with \$0.7 billion in FY 2001. Since then, OBO has completed 14 capital construction projects and currently has another 40 under construction.
- In Washington we renovated the Old State wing of the Harry S Truman (HST) headquarters building and started the design and planning for the next renovation phase for the New State section of the HST building, which is scheduled to begin in November 2005 pending funds.

*Management Reforms:*

- We developed the first-ever joint State-U.S. Agency for International Development Strategic Plan, which will be updated this year, and established formal mechanisms to better coordinate policy and management issues with USAID. The Joint Management Council is helping to implement the Plan's management goals, including eliminating duplicative services and integrating IT infrastructure and services.
- We consolidated strategic planning and budget operations in the Bureau of Resource Management, creating the structure not only to improve financial performance but also to integrate planning, budget, and performance. We are linking budget decisions to program performance, including Senior Reviews chaired by the Deputy Secretary and Budget Reviews chaired by the Department's budget officer. This bureau has achieved green status scores for both the financial management and budget and performance integration PMA initiatives (a double green reached by only four other agencies Government-wide thus far).
- The Integrated Logistics Management System (ILMS) is a major reengineering development effort to create a modern, web-based, user-oriented system for logistics, including purchasing, supply, transportation, warehousing, and inventory.

Both our authorization and budget requests are necessary to continue and build on these and other management achievements.

FY 2006–2007 FOREIGN RELATIONS AUTHORIZATION BILL

I want to ask your support for the Administration request for the FY 2006–2007 Foreign Relations Authorization bill, including full funding levels for FY 2006 and “such sums as may be necessary” for FY 2007. Our request includes a number of personnel flexibilities and a variety of other management authorities that are important for the Department. The personnel provisions, including those for stabilization and reconstruction efforts, are key to our creatively meeting the challenges that the Department faces in the post-9/11 world.

The Department is also seeking legislative authority to retain revenues generated by increases in passport demand beyond the levels budgeted in FY 2005 (9.6 million) and FY 2006 (10.1 million) in order to fund the Western Hemisphere Travel Initiative. Although not finalized in time for our original Authorization request package, this proposal is now part of it. Under Section 7209 of the Intelligence Reform and Terrorism Prevention Act of 2004, the Secretary of Homeland Security, in consultation with the Secretary of State, must develop and implement a plan by January 1, 2008 that requires passports or other documentation (to be determined at a later date) denoting nationality and identity for all U.S. citizens entering or leaving the U.S. from other jurisdictions within the Western Hemisphere. The Administration announced the details of this program last week. The Department anticipates that passport demand could grow from 8.8 million applicants in FY 2004 to as many as 17 million passports per year by 2008. To meet this estimated demand, the Department of State may need to significantly increase its passport adjudication and pro-

duction capacity beginning in FY 2005. These revenues will be used to support such expenses as increased passport direct hire and contractor staff, staff training, outreach programs, additional passport facilities, and related systems support.

#### FY 2005 SUPPLEMENTAL

Full funding of the President's FY 2005 supplemental request is vital to carrying out our commitments in the global war on terrorism. Our request included funding to support operations in Iraq and Afghanistan and meet our commitments to international peacekeeping. I want especially to highlight the need for full funding of the Baghdad New Embassy Compound (NEC) and the Office of the Coordinator for Reconstruction and Stabilization.

The \$658 million requested for the Baghdad NEC in the FY 2005 Supplemental is vitally important:

- When the FY 2006 budget was prepared, the Department was still refining particulars related to the size, cost, and timing of construction and assuring that the new post would be rightsized.
- In order to ensure that all USG staff are working in a safe, secure environment, we need to begin the construction process as soon as possible. Although security improvements have been made to the interim complex, the facilities meet only some security standards because of the current environment. The interim complex has been hit numerous times by insurgent fire, and two mission members have been killed there in the past four months.
- The Palace complex has symbolic importance to the Iraqi people, and we have agreed to return it as soon as possible to an elected Iraqi government.

Should funding be deferred on the Baghdad Embassy construction until regular FY 2006 appropriations, the delay (which could be as much as 14 months from our current schedule) would cause greater risks to personnel and extend site maintenance costs while awaiting mobilization.

President Bush has charged the State Department with coordinating our nation's post-conflict and stabilization efforts. We are asking for \$17.2 million in supplemental funding for start-up and personnel costs for the Department's new Office of the Coordinator for Reconstruction and Stabilization. Our FY 2006 request continues funding for this office.

#### FY 2006 REQUEST

The Administration request for FY 2006 will sustain initiatives for people, security, information technology, and facilities and meet new and increased diplomatic requirements, including the capability to coordinate quick civilian response to post-conflict situations. This funding is necessary to build on our many accomplishments in the management area over the past four years and to maintain the strong momentum in our implementation of the President's Management Agenda.

The resources requested in the FY 2006 budget will enable the State Department to:

- *Support the global war on terrorism*

The request provides \$690 million in Worldwide Security Upgrades to maintain security programs for the protection of our diplomatic personnel, facilities, and information in the face of terrorism. Security is an on-going effort, especially as the potential for large-scale terrorist attacks and continued physical and technological attacks directed at Government and civilian targets within the United States and our diplomatic missions abroad remains at a historic high. The work of the Bureau of Diplomatic Security (DS) in counter-terrorism, criminal investigations, and intelligence makes it a partner in the global war on terrorism. DS manages a broad range of programs to create and maintain the appropriate level of security for more than 57,000 U.S. Government personnel, staff, and dependents who work and live at approximately 260 embassies, consulates, and other missions overseas.

This funding will continue programs to maintain our security equipment and technical support, information and systems security, perimeter security, and security training. It will add 55 security professionals for key responsibilities such as Joint Terrorism Task Force participation and the mobile security teams that respond to crises, increased threats, and security training requirements overseas.

- *Strengthen protection of America's borders*

The FY 2006 budget provides \$930.6 million in appropriated funds and fees for the Border Security Program, whose mission is—through continuous improvements in consular systems, processes and programs—to protect American citizens living and traveling abroad and to protect U.S. borders against illegal entry of terrorists and others who would threaten homeland security. This funding is a combination of Machine Readable Visa fees (\$672.1 million), Enhanced Border Security Program fees and visa fraud prevention fees (\$184.3 million), and \$74.2 million in appropriated funds.

The funds provided through the Border Security Program will:

- Support almost all consular operations worldwide, including the salaries and support costs of 2,852 full-time consular officers and support personnel.
- Support all consular systems, including passport production systems, the Consolidated Consular Database (CCD) and the Consular Lookout System (CLASS), against which all visa applications must be checked prior to being issued.
- Introduce a more secure passport that has a biometric chip embedded in the passport document.
- Support the national security requirement to collect biometric data worldwide from visa applicants.
- Expand the use of facial recognition checks in the visa issuance process.
- Add 55 positions to manage an increased domestic passport workload, increases in consular services provided to American citizens abroad, and continuing changes in visa processing, including more extensive interviewing of applicants and the implementation of biometric collection.
- *Provide human resources for core requirements*

In addition to the positions in the Border Security program and Diplomatic Security already mentioned, the request provides \$57 million for 221 new positions to meet core staffing and training requirements. These 221 positions will address critical priorities such as:

- New embassies in Baghdad and Kabul (including four regional centers in Iraq), a liaison office in Libya, and most recently Khartoum; these have become permanent requirements that must be considered as part of the base of our operations.
- Critical needs related to security objectives such as non-proliferation of weapons of mass destruction, combating terrorist financing, and advancing information technology to meet security and intelligence requirements;
- The Office of the Coordinator for Reconstruction and Stabilization; and
- Arabic language instruction and advanced training in critical needs languages, particularly Arabic and Farsi.

In 2001, the Department of State proposed a three-year hiring initiative known as the Diplomatic Readiness Initiative, or DRI. The intent of DRI was to allow for more training in critical foreign languages and management skills, as well as provide staffing that would ease the pressures of responding to emerging priorities and crises.

The Diplomatic Readiness Initiative (DRI) has rebuilt both Foreign Service and Civil Service personnel to meet the needs of 21st century diplomacy. However, the DRI plan predated 9/11 and the Global War on Terrorism, and new requirements have been placed on the Department.

- *Continue to construct and upgrade secure diplomatic facilities*

Following the 1998 bombings of U.S. embassies in East Africa, and as highlighted by continuing terrorist acts around the world, one of the Department's most pressing needs is to provide secure facilities for U.S. Government employees overseas efficiently—and at reasonable cost.

The request provides \$1.526 billion to support security-related construction projects and address the major physical security and rehabilitation requirements of U.S. embassies and consulates.

This funding includes \$810.2 million for capital security construction to replace diplomatic facilities at the most vulnerable posts. Of this amount, \$393.6 million is for State's share of the Capital Security Cost Sharing (CSCS) Program (with the remainder from regular appropriations). This multi-year program is designed to accelerate construction of new secure em-

bassies and encourage Federal agencies to rightsize by carefully considering their overseas positions. All U.S. Government agencies with an overseas presence contribute to the costs of this construction program based on the number of their authorized overseas positions.

With \$203.1 million in anticipated cost sharing contributions from other agencies, the Department will have \$1.013 billion to plan, design, and build new embassy and consulate compounds (NECs). This will fund the design and construction of eight new embassy compounds in Brazzaville, Republic of Congo; Djibouti, Djibouti; Harare, Zimbabwe; Kigali, Rwanda; Kinshasa, Democratic Republic of Congo; Lusaka, Zambia; Oslo, Norway; and Sarajevo, Bosnia-Herzegovina; a new consulate compound in Karachi, Pakistan; and four USAID annexes in Abuja, Nigeria; Accra, Ghana; Managua, Nicaragua; and Tbilisi, Georgia, as well as NEC design in Mexico City.

The request also includes \$85 million to upgrade compound security at high-risk posts and \$15 million to increase protection for soft targets such as overseas schools and recreation facilities as well as \$615.8 million for ongoing operations and maintenance.

- *Exploit information technology*

To maintain our edge in the changing world landscape, it is imperative that the Department have steadfast and effective information technology (IT) globally to carry out U.S. foreign policy.

The request provides \$249 million for Central Fund investments in IT, including \$116 million in estimated fee revenues. The two top IT priorities in this funding are SMART (State Messaging and Archive Retrieval Toolset) and GITM (Global IT Modernization) included in the Centralized IT Modernization Program.

Specifically, SMART is the key to the future with a simple, secure and user-driven system to support foreign policy through modern messaging, dynamic archiving and information sharing. SMART will replace the outdated, cumbersome 1940's cable system that currently provides worldwide information to the Department, combining command and control messaging with e-mail into a single, searchable electronic archive. The request for \$39.7 million is needed to move this critical program forward.

The Centralized IT Modernization Program request of \$74.1 million will help us to ensure that the Department's global IT infrastructure and network access is kept current over our reliable worldwide network. Continued technology modernization is a prerequisite for SMART implementation.

We will be able to centralize our modernization efforts and leverage the Department's IT investments via a cost-effective program linked to our Strategic Plan by:

- Continuing modernization of the common infrastructure, network architecture and standardized hardware and software to ensure secure unclassified and classified environments.
- Planning and executing the program in synchronization with the Department's business process re-engineering efforts to provide an agile and adaptive infrastructure capable of leveraging new technology.
- Avoiding operations and maintenance and other support costs for old or obsolete hardware and software through a disciplined and centralized approach to modernization on a four-year cycle.
- Providing a common global baseline for classified and unclassified infrastructure to facilitate efficient user training and technical support.
- Facilitating cross-agency communication and information sharing.

#### CONCLUSION

Thank you for allowing me to explain some of the key management initiatives in the President's FY 2006 budget request for the Department of State. I welcome the opportunity to answer your questions.

Mr. SMITH. Thank you very much, Mr. Secretary. Although we will be having a very specific hearing on Embassy and Consular affairs, I didn't see this in your written statement. But in your oral statement, you mentioned that 70 percent of our missions fail to meet security standards. I would ask if you could elaborate on that. And I see people here who have worked on the Foreign Relations

Act of 2000 and 2001, an act which I was the prime sponsor of, which we finally got enacted into law. And I will never forget after the Embassy bombings in Africa, two horrific events, regrettably, were almost predictors of what would happen in 9/11, because I remember Secretary Carpenter sitting there where you are, and, as matter of fact, Ken Nakarora testified that day as well, and Admiral Crowell who headed up the Crowell review boards, and they basically said that transnational terrorism is here; they are going to pick the weakest and most vulnerable mission. We can't think it is going to be someplace in the Middle East that might get hit or that proximity was no longer an issue. It is transnational terrorism.

We authorized the \$5.9 billion in that legislation. The appropriators, Hal Rogers and Frank Wolf, I think, were very faithful in trying to get as close as possible in an ongoing systematic Embassy upgrading system as humanly possible, and yet you have shared with us today that 70 percent still don't meet those security standards.

How big of a hole do we have? Is that 70 percent not having every X in the box? Are we that much at risk? Are we fooling ourselves?

Mr. BURNHAM. The report that was done in 1998—does anybody know who did the name of the report—Admiral Crowell's report?

Mr. SMITH. We had him testify and we took his recommendations and offloaded them right into our bill. He had an excellent series of suggestions; \$1.4 billion per year is what he had recommended we do.

Mr. BURNHAM. At that time, approximately 70 percent of the Embassies were noted to have a security risk, including setback issues, construction issues. I visited an Embassy where part of it was originally built out of dung bricks in the 1800s. Fortunately, this has been addressed dramatically by Congress in a couple of ways. First of all, you have given us the funding to build 14 new Embassy compounds in the last 4 years. We are in the midst of construction of 40 more. And this is a plan to build up to 150 new Embassies and Consulates around the world to address this issue.

Moreover, not all of the money we have requested in 2006, approximately \$1.5 billion, will go to new Embassy construction. Rather, about 40 percent of that will go to security upgrades at existing facilities.

Also critical: Out of the 150 Embassies we would hope to replace over the remaining 14-year period that we have set out to do this in as well, the upgrades should address all these issues.

Second of all, the capital security cost-sharing program has been an absolute godsend to this program, a godsend from two standpoints. One, it brings us the money we need to reduce this construction agenda from a 26-year program to a 14- or 15-year program. But second of all, it adds to an important element that Congress is requiring and the White House through OMB is requiring, which is rightsizing. It is making us go through the process of trying to determine whether or not we have the right staffing abroad. Whether it is more or less, it is an effort that the State Department, in collaboration with other agencies, are making to determine what is the right level of staffing abroad. And you can do that

from a policy standpoint and simply ask us, well, tell us whether you think we have the right number of people at the Embassy in this country. But when there is an economic incentive as well, as we know from the private sector, when there is an overhead charge on a per capita basis, it makes you seriously look at the number of people you are placing abroad. So that has contributed greatly.

I didn't wish to alarm you, the 70 percent. I need to get you a recalculated figure from the 14 we have already built, from the hundreds of millions of dollars we have already spent to increase security at existing facilities. That was the legacy figure from the Crowell Commission. Let me update that.

Mr. SMITH. I appreciate that because the Crowell Commission was the catalyst for us. The original name of that bill was the Embassy Security Act, just to try to meet that compelling need. I would appreciate that and we will make that a part of the record when that is provided.

[The information referred to was not received prior to printing.]

Mr. SMITH. Let me just ask you, if I could, about some AFSA issues. AFSA, whose representatives will testify following this panel, has been very vocal for eliminating pay disparity between overseas and Washington assignments, which are 16 percent greater. They are also seeking an increase in hardship and danger pay rates to 35 percent, a reduction of the low-ranking quota to 2 percent from 5 percent, and enforcement authority from the Foreign Service Grievance Board decisions, and increased flexibility on death gratuity payments.

I wonder if you could tell us what the Department's views are on that. They did provide us—there was a letter dated February 25 that was sent to Senator Lugar, and to give you an example, AFSA has calculated that a Foreign Service general joining the service in 1995, serving a normal 27-year career, and leaving the service as an FS-1, would lose over \$440,000 in salary and retirement benefits over the course of that career. And especially given the differentials between, or the problems with currency. Eleanor and I just returned from the Human Rights Commission where we were to promote the Cuban resolution and the Belarus resolution. But when we met with the State Department folks and I got an excellent in-country, U.N. briefing, I asked about personnel issues and I got an earful about the problem with the euro and the exchange rates; and that, coupled with the disparity pay, certainly raises some very serious questions. How do you respond?

Mr. BURNHAM. Thank you very much, Mr. Chairman. Locality is a very important issue. We have a disparity between senior Foreign Service officers serving abroad and the Foreign Service officer level 1 and below serving abroad. Senior service officers now receive locality pay or compensation for—they do not get penalized for going abroad due to a bill that passed Congress, I think last year. However, that has caused a disparity between senior Foreign Service and junior Foreign Service.

The overseas locality pay would cost us in fiscal year 2006 approximately \$72 million. It is an issue of prioritization within the President's budget. The State Department requested it. It was not included in the President's budget and we support the President's budget as it stands and understand that this is a tough year, in

fiscal year 2005, and we are going into another tough year in fiscal year 2006.

However, we still recognize that this is a growing morale issue for the Department. On hardship pay and also danger pay we have within the 2006 budget implied requesting authority to go to 35 percent for danger pay, that is approximately a million dollars. We also have an issue with hardship pay which could be \$5 million or \$6 million additional money. Again, that comes out to prioritizing and making priorities within the President's budget. And while danger pay has been included for a request for that line, it was not done so, I believe, for hardship pay. And again, we support the President's budget.

On the grievance board, if I could get back to you, it is a complicated legal issue. I would like to take it for the record.

[The information referred to was not received prior to printing.]

Mr. SMITH. The State Department did request the \$72 million that would have been necessary, or no, and it went to OMB and they cut it down?

Mr. BURNHAM. You may be getting me into trouble. I am not sure whether internal deliberations like that should be discussed openly as a policy. This is an important issue for many, many members of the Foreign Service. We recognize that. We have discussed this at the highest levels numerous times over the course of the last 4 years, and I believe we will continue to work to try and work this into the priorities of the Department and the President's budget in future years.

Mr. SMITH. I hope we can be helpful in prioritizing it in our bill because I think it is important.

And you mentioned the morale issue. It is a very real issue that is getting worse. And we all know what OMB does. I have been here 25 years, here in Congress. So many times, very good ideas are sent to OMB and they are cut to shreds. We will take your comments.

You mentioned also the Embassy in Baghdad. I was very discouraged, and perhaps you were as well, and the Department was discouraged by the recent vote on the Upton amendment, 258 to 170. I want the record to show I voted no. I thought it was a misguided effort to say here is an area we can save and there is no penalty. The people back home will see this in a positive light, but I think it was a misguided vote and I hope that will be rectified going forward; \$592 million is what the Upton amendment claimed he would save and that is \$592 million of enhancement that we need. And I am sure you agree on that.

I have other questions, but I will just ask one or two more. In your personnel request increase, the Diplomatic Readiness Initiative increased the State Department personnel by 1,100 over the past 3 years. In the 2006 request of 306 people, 221 are for operational readiness, 55 for security, a continuation of that program. How would the 221 new employees be used and can you just define for us what operational readiness means?

Mr. BURNHAM. Yes, sir. The numbers break down so we are looking for 83 spots to help out in Iraq, Afghanistan, Libya, as well as our imminent requirements in the Sudan. We are looking for 54 people, at least notionally, for the Carlos Pasquale Office of Recon-



struction and Stabilization. If we are going to provide people with the proper training, whether that is leadership and management training, career development training and, most importantly, language training, particularly as I mentioned earlier, Arabic, Farsi and Chinese, we need to have individuals who we can take out of the system and take away from post and put them in our incredible Foreign Service Institute language school and train them for a year or 2 years before we can send them back out to post again. We need more individuals to give us that float.

When Secretary Powell came to the Department, there was not that kind of cushion to be able to take people away from post, even for as brief times as a month, to receive basic management training. Now, thanks to the Diplomatic Readiness Initiative, we have that. But that was launched prior to 9/11.

Since 9/11, we have increased requirements. I mentioned those for the language. Out of the 221, we would dedicate 20 to help provide that float to enable people to seek language.

And finally for operational issues, it simply means that things such as nonproliferation, weapons of mass destruction, combating terrorist financing, and advancing information technology to meet security and intelligence requirements, these are the new add-ons of the last 4 years that require additional personnel needs and that would be approximately 64 individuals as well, sir.

Mr. SMITH. Let me ask one final question regarding the Western Hemisphere Travel Initiative. What do you anticipate the revenues will be from that? Can you elaborate on that.

Mr. BURNHAM. Can I take that one for the record, Mr. Chairman, and get back to you the specific estimation of that?

[The information referred to was not received prior to printing.]

Mr. SMITH. Finally, let me point out—and this is a very positive thing—the Foreign Affairs Council in their independent assessment in November 2004, it is a group of 10 organizations, they discovered, after they did their assessment, that applicants taking the Foreign Service examination have more than doubled. But they also pointed out that the proportion of successful minority candidates hired has grown sharply from 13 percent in fiscal year 2001 to 19 percent in 2003, which I think shows real progress. And I congratulate you on that.

Mr. BURNHAM. The numbers are even higher for 2004 and we will get those to Members of the Committee as soon as we return.

Mr. SMITH. Mr. Payne.

Mr. PAYNE. Thank you very much, Mr. Chairman, and thank you for your response on getting together. I have a question just on policy.

You know in recent years, in my opinion, there seemed to be a blurring of the responsibilities between the Department of Defense and the Department of State, agency responsibility for such activities as Iraq reconstruction, public diplomacy, police training and overseas is really not clear to me.

And do you agree that there has been a blurring of responsibilities between State and the Department of Defense? And if so, how has this affected State Department's effectiveness and credibility and employee morale?

It just seems that there were discussions in the debate leading up to preempt the strike and even during the time that the Department of Defense just appears to be doing things that the State has done now. I have seen in previous Administrations, the last 10 or 12 Administrations, there has been some difference between the U.N. Ambassador and National Security. Different individuals tend to take on perhaps more leadership or more competence by the President.

But I think this Department of Defense and State Department crossover business, to me, seems to be going in a wrong direction. I just wonder if I am seeing it clearly and if, in fact, there will be any kind of redefining of where State ends and Defense begins, or where Defense ends and State begins, or maybe just have a Department of Defense, which seems to be going on. And there are so many outstanding career diplomats, they just seem to be muted by the Department of Defense. Just wonder if you could respond to that.

Mr. BURNHAM. It reminds me of General P.X. Kelly who was sitting next to President Ronald Reagan. To his right was Jimmy Baker, former Marine; to his left was the National Security Advisor, former Marine, and Ronald Reagan turned and said to P.X. Kelly, "Maybe the Marines should just run the country."

And P.X. looked to his right and left and thought, Well, maybe tonight is the night. But as a former employee of the Department of Defense, you know, I have immense respect for that organization.

Sir, I see it in a different way. When we came here, we came here, and particularly in the wake of the tragedy of 9/11, we came here to break down stovepipes, first to build intra-agency collaboration, particularly between us and USAID. We have succeeded greatly with that.

USAID is our full partner in the effort of global development and the relief of human misery. We have a joint strategic plan now. We have, for the first time ever, we have a joint performance plan for the first time ever.

This reflects the integration between our two organizations, the State Department and USAID. The next phase of that is inter-agency collaboration and the breaking down of stovepipes. And once again, in the last month, I have heard Secretary Rice also address these issues. An example of this is going to be, for the first time ever, the State Department will participate and help work on the Defense Quadrennial Review that is coming up.

This is essential if we are going to have integration and coordination between our two missions. I think the crowning achievement of this collaboration has been Carlos Pasqual's regionalization and stabilization effort. We have detailees from the CIA, from the Department of Defense, from State Department and other agencies as well.

We all recognize, as a former Reservist—and I know you know this from your own Guard and Reserve in your own district—that one of the critical elements that DoD has performed for the past few years in the Reserve and Guard has been civil affairs groups. And that when we have a conflict situation, we have a post-conflict situation, it has fallen upon the Guard and Reserve where 100 per-

cent of the assets within the military were transferred to the Guard and Reserve for civil affairs groups to pick up and to work with communities in this countries.

And so it is incumbent upon DoD to make sure that the State Department has the capacity for this, because we do not want to be sending our Guard and Reserve out there month after month, if not year after year, to fulfill these missions.

So in my perch, I actually see it different. I do not see the turf war. Although I look forward to the books, beginning in 2009 and 2010 that will tell us some of those things that we all like to read.

But, sir, I do not know anything about that. I do know that we are trying all we can to break down the stovepipes, and that Secretary Rice is committed to the kind of collaboration and inter-agency cooperation that will advance the foreign policy agenda of this Nation, of transformational diplomacy, and for democracy and freedom around the world.

Mr. PAYNE. Thank you. Let me ask—an observation that I have noticed as I traveled through one of the countries. In Kenya, as you know, the building of the Embassy, I think it is completed, or the temporary Embassy is not now used that much.

But I noticed on my way out to Naivasha, where I attended the peace—signing of the—well, attended the peace negotiations between the Bashir Government and the SPLM months ago, and on my way to Naivasha, looked and saw this beautiful compound of houses up on the hill.

And I was told that that is, you know, a compound of American State Department and other U.S. employees. And, you know, it had a wall around it. But, you know, it just seemed that it was just sitting there like a—like a potentially, you know, a potential target almost.

And I just wonder, what is the thinking of State, is it better to have people all housed together as it is there? And I guess that is what—I guess that is the policy. But I just wonder whether we—I do not know which is better, to spread it all around; you cannot have that much security. All together, you can have better security. However, everyone is sitting in a compound all there at one place. I wonder, what is the—as we move forward, what is going to be the pattern?

Mr. BURNHAM. Yes, sir. I have walked the good red earth of that compound and been in those townhouses or condos or whatever you want to call them, or homes. It is an exceptional facility for our Americans abroad.

I am well aware of some of the security issues that have been brought to us. I have had numerous conversations with General Chuck Williams about ameliorating some of those concerns.

The decision to go to that location was actually made a number of years ago before this Administration. But, nevertheless, it represents a great new way of thinking, which was build-to-lease. So General Chuck Williams is very supportive of that as we try and take our Americans abroad, U.S. Government employees abroad and put them in housing that at least has some semblance of what we might enjoy back here in the United States.

Like you, I traveled to many posts around the world. I have seen some places which do not meet that standard. You asked me a spe-

cific question. To put everyone together, is that the methodology going forward? It depends on the country. Clearly, our Foreign Service officers and our public diplomacy efforts are benefitted when we are out in the communities. And part of the experience of being a Foreign Service officer, not being one, but what I understand, is that you do have the opportunity to go out there in the communities and participate in the culture of the country you are in.

However, the security needs are such that it is a lot easier to protect a compound than it is to protect 2 or 300 homes around a city. And so that may necessarily be the methodology going forward.

Again, this is, we have an absolute expert on this in General Chuck Williams. And I would welcome the opportunity to bring Chuck up here, the General up here, to talk specifically about the security issues that were associated with the complex in Nairobi; second, the amelioration of those issues; and, third, our policy going forward.

Mr. PAYNE. Okay. Thank you. They look beautiful. I mean no criticism. I think it is a stunning looking compound and probably very comfortable and has a pool and all of that. I just wonder if someone wanted to put a missile on their shoulder and have a shot at a place, that you—I mean, it could happen anywhere, at an Embassy or anywhere.

It just seemed that they were all there. But certainly, as I travel a lot, I understand the problem of trying to keep everyone in, you know, in posts where there is a threat and some kind of security.

So I did not say it as a criticism; I just do not know what is best. And I just had a concern as I passed it.

Mr. BURNHAM. I have now two visits to schedule with you.

Mr. SMITH. We do have to break for a moment, for these series of votes. I do apologize for that. I understand Ms. Lee has a question or two, she would like to pose. I hope your time will permit.

I do have a question I would like to ask on the increased cost of fuel. How does the Department plan for what may be an ever-escalating cost of fuel, whether it be for transportation or heating or whatever, and what—like for every dollar, for example, that a price of oil goes up, is there any kind of calculator as to what that means to more costs to the Department?

Mr. BURNHAM. I can answer that when you return. I would also like to put in there a discussion of exchange rate.

Mr. SMITH. I appreciate that. Thank you.

[Recess.]

Mr. SMITH. The hearing will resume. And, Mr. Secretary, if you want to answer those questions. We would appreciate it if you would.

Mr. BURNHAM. One of the things I wanted to just talk about was exchange rate. Obviously, exchange rate losses have put a huge burden on the Department. We have a fund which was emptied a number of years ago due to prior year exchange rate losses.

We have asked for the ability to help ameliorate subpoena of that within the supplemental, particularly within the contributions of the International Organizations Account. And obviously, this also

affects us greatly when we have to pay dues to international organizations, and those dues are affected by the exchange rate.

One of the things which I have taken the initiative to do, and I am working on right now, is to try to get the ability to hedge that. We have purchased between \$2 and \$3 billion worth of currencies a year. We deal in over 130 different currencies from around the globe.

This might be one thing we can talk about again sometime is how we as a U.S. Government entity can actually enter into a hedging program.

Specifically to your question on energy, I am going to take that one for the record. But that also goes to the hedging issue. My church in Connecticut, we actually hedge our oil purchases every January and lock in a price.

Why can't we do that within the U.S. Government? It just seems to be proper business planning. We may need permission or authorization to do that, however.

Mr. SMITH. I appreciate that. And please let's continue that conversation, because, obviously, those costs can skyrocket if this upward movement continues. I just—I thought Ms. Lee might be coming back as well as Mr. Payne.

Mr. BURNHAM. I would be willing to come up here and meet privately, sir.

Mr. SMITH. Great. You did mention, I would just sort of ask you, with regards to the democracy and human rights, the idea that, you know, apples to apples, what you were saying earlier, it has been my observation for years—it is why we look to double it the first time, which we did in the authorization bill. Usually it has been, you know, this is anecdotal, but I do a lot of travel myself. I always meet with the human rights Foreign Service officer, that they are relatively junior, and there is usually just one.

I will never forget one trip to Beijing. Obviously China has one of the most enormous human rights problems on the face of the earth, whether it be torture, coercive population control, the crack-down on the religious believers, including the Falon Gong, you name the human rights abuse, and regrettably, they are engaging in it. And there was one solitary Foreign Service officer at the time for all of China. And then the argument is, well, everybody has that as part of their portfolio.

But, that is true and not true because prioritization, and resource allocation is usually a recognition of priority. And I would hope, as we move forward, we could look to increase the number of people just—you may or may not know this, but I was the sponsor of the Trafficking and Victims Protection Act. We had a major push back when we were writing that legislation about creating a specific director, now Ambassador, Ambassador Miller, and the personnel that it would take to task it and to do it right. We had the same kind of push back on Frank Wolf's bill, which went through my Committee and was actively opposed by the previous Administration on the International Religious Freedom Act.

The argument then, and I thought it was bogus, was that there would be a hierarchy of human rights established where religious freedom would trump all others. It was value added. It was another means by which we can promote human rights. And we have con-

tinued to have a problem with staffing there. Ambassador Hanford does a marvelous job. But he only has so many people and could use more.

The same goes for the Human Rights Assistance Secretary and his or her, whoever it turns out to be, to have enough people. So I hope we can work together on that. Because every slot makes a difference.

Mr. BURNHAM. I will carry that back tomorrow morning when I see the Secretary.

Mr. SMITH. Maybe we can work up some concrete numbers on what we could actually achieve by having some additional people working on this.

I just chaired a hearing of the Commission on Security Cooperation in Europe—I am Chairman of the Helsinki Commission—that ended right before this began, and it was on unregistered churches in Russia and a spike that is occurring with regards to persecutions.

Jehovah's Witnesses, evangelicals, Pentecostals, a whole cross-section of people who do not want to be part of a registration scheme, or cannot be in the case of Jehovah's Witnesses, and they made the point, one of the head of the Baptists, that there are two people in Moscow who work human rights, and he got his first call from them last week, probably in anticipation of the hearing.

So it is a personnel problem, not enough to do the work. So I just ask you to take that back. That is as recently as 3 hours ago.

Mr. BURNHAM. If we can help in doing an apples-for-apples for you, let me look into that and get back to you and see if we cannot take a first cut and help you with giving you greater comfort with the numbers.

Mr. SMITH. That would be great. I appreciate that. I suspect my colleagues are not coming back. So I would ask you, if you could, respond to any questions in writing, and the ones you already indicated you would. Thank you so much.

Mr. BURNHAM. It has been my honor.

Mr. SMITH. Let me welcome our second witness, Ms. Louise Crane, who has been the Vice President of the American Foreign Service Association since July 2001.

Ms. Crane is a member of the senior Foreign Service with the rank of Minister Consular. As a Foreign Service officer, Ms. Crane served in a number of posts, including Ecuador, Santiago, Chile. As a correspondent for the VOA, she worked in Buenos Aires, Argentina, and Lima, Peru.

Her last overseas assignment was as minister consular for public affairs in Tokyo. Her Washington assignments include managing Fulbright Scholar exchange programs for Latin America and East Asia, and as deputy director of both the East Asia and Latin American regional bureaus.

Ms. Crane, thank you for being here, and we look forward to your testimony.

**STATEMENT OF MS. LOUISE CRANE, VICE PRESIDENT, AMERICAN FOREIGN SERVICE ASSOCIATION, U.S. DEPARTMENT OF STATE**

Ms. CRANE. Thanks go to you, Mr. Chairman, for allowing the American Foreign Service Association to be present here today to represent the 11,000 members of the Foreign Service, and including then the total of 23,000 active duty and retirees combined.

Mr. Chairman, I have a longer statement and a letter to you discussing AFSA's views on personnel issues, requested by the Administration, or included in the Senate Foreign Relations Committee bill, S. 600. I request that these become part of the hearing record.

Mr. SMITH. Without objection, they will be.

Ms. CRANE. I know I am preaching to the choir, Mr. Chairman, but I wish to say for the record that AFSA considers the authorization bill very serious and important legislation. We deeply regret having gone 2 years without authorizing legislation.

The Foreign Service and the foreign affairs agencies are just as much a part of our national defense as are the Department of Defense and the Armed Services. Our respective authorization bills have the same purpose, making it possible for us to do our work and provide congressional input on national security policy.

We congratulate and thank this Committee and the House of Representatives for passing authorization bills every year, and we look forward to a time when the enactment of the bill will become as regular an occurrence as passage of the Defense Department's authorization bill.

Mr. Chairman, AFSA fully supports the Department's request for operating an Embassy security account. We have considered these requests for funds, a minimum funding level, a request floor, not a ceiling. Today's funding requests are central to the continuation of sound foreign affairs management. It is a continuation of the initiatives begun by Secretary Powell in the Diplomatic Readiness Initiative.

We fully support the request for 220 more Foreign Service generalist positions and 55 security professionals for fiscal year 2006. As the Under Secretary mentioned, the original Diplomatic Readiness Initiative was planned pre-9/11, and yet the congressional generosity in funding it allowed us to cope with the surge in national security demands on the Department of State after 9/11 and in the Afghanistan and Iraq wars.

But the new demands continue, from staffing Embassies in Iraq and Afghanistan to additional Consular overseas staffing, and more security and support positions. And, therefore, we fully support the request for additional staff.

We fully support the Department's request for additional money for information technology and up-to-date information technology infrastructure which is critical for overseas missions.

We appreciate the Department's attention to Embassy security. And we appreciate the role that you have played and that of this Subcommittee in getting the necessary funding and legislation to begin securing our Embassies right after the bombings in Nairobi and Dar es Salaam.

I am pleased to report that the Department has made great progress over the intervening years. One security concern that

AFSA has is that of soft targets. And that is the places where our Foreign Office colleagues and their families worship, go to school, eat and shop. And we would like to see the Department pay attention to greater security for those soft targets. We note that the Department has requested \$15 million in fiscal year 2006 for further protection of soft targets overseas.

Now, there are some issues that are not in the Department's bill. You yourself raised them, Mr. Chairman. The number one issue is that of pay disparity. This year, there is a 16-percent pay cut when the Foreign Service employee departs this country for an overseas post. This gap inexorably grows year by year, by over 1 percent a year. Next year, it will be 17.2. After that, it will be 18.5. By the end of the decade, it will certainly be 20 percent or greater.

This is a morale breaker. As you mentioned, we have estimated that a Foreign Service employee who joined the Foreign Service in 1995, has a standard 27-year career, rises to the class of one, will have lost \$440,000 in both pay and pension and Social Security benefits.

Pay disparity is a morale breaker, particularly when it is added to the problem of spousal employment. The lack of employment in a dual-income society means that there will be less money in retirement. Therefore the pay disparity only exacerbates the problem of fewer resources in retirement for a Foreign Service couple.

We also want to see the caps raised on both the hardship and the danger pay differentials. It is interesting to note that our employees now, because of the 16-percent pay cut, if they go to Baghdad, if they go to Pakistan, they only get a 9 percent increase in their pay.

Yet these differentials were meant to try and compensate people for the danger and the hardship that they were undergoing at the 25 percent level. It is clear that there is also a difference between posts at the 25 percent level. Among these posts, Pakistan and Kabul and Iraq may not be quite as dangerous as Algeria and Lebanon, and yet all get the same level of hardship pay and danger pay.

We also would like to see the low-ranking requirement lowered from 5 percent to 2 percent. This is very important to us. The Foreign Relations Authorization Act for fiscal year 1998, 1999, section 2311(b) requires all Foreign Service promotion boards to low rank 5 percent of every class reviewed.

If an employee is so ranked 2 out of 5 years, then the employee can be recommended for separation. Both the Department and AFSA have struggled for years to implement this rule fairly. It harms the process of selecting employees for promotion and has a very deleterious affect on morale.

The decisions are arbitrary as is the quota. The boards are often required to low rank people on capricious grounds unrelated to performance, such as a pattern of assignments. We, actually, AFSA had a case of an employee who has since gone public, so I can mention it here. He was performing out of a cone in our Embassy in Beijing. He got a superior honor award for the quality of his performance, and he was low ranked by the board. The board was searching for a person to low rank, to meet its quota. He was low



ranked on the grounds that he was not performing in his cone, or within his specialty.

The selection board themselves report that low-ranking 2 percent of the class is not an issue. It is the arbitrary quota of 5 percent that results in unwarranted grievances and very poor morale.

Now, the Department has not put this in its bill, but privately the Department will agree with AFSA that the grievances that result from this practice are an unnecessary burden on both the employee and the Department which cannot defend the board's actions in an impartial forum.

To this end, we would also like to see some legislation to strengthen the authority of the Foreign Service grievance board. It has an important role in employee-management disputes. And it is very similar to the role filled by the Merit System Protection Board for the civil service.

We believe the grievance board's authority should be expanded in four specific areas, beyond the restoration of the interim relief as provided for in the Administration's request. And we ask that they have enforcement authority, that they can provide assistance in alleged overpayment of an annuity, that they have authority over reduction in force or RIF cases, and that they have subpoena authority to provide Foreign Service employees the same protection provided to the civil service.

And, finally, we would like to ask for a death gratuity, a new gratuity benefit for the members of the Foreign Service, and other civilian Federal employees working to advance U.S. interests in foreign policy.

There is a death gratuity provision in the Foreign Service Act which provides the equivalent of 1 year's salary. However, we would like to update this provision for both Foreign Service and civilian employees serving overseas. The actual mean salary of a Foreign Service employee is \$64,000. And many younger Foreign Service members, both generalists and specialists, earn much less; 1 year's salary is not very adequate when a family has to completely remove itself from the foreign country, relocate in the United States and resettle.

I have actually read the depositions given by the widows of the employees who were killed in the Beirut bombing in 1983, and they described the great difficulty they had finding employment, because they had spent so long overseas not working. They had no network of people whom they could turn to for tips on finding jobs.

Mr. Chairman, and all of the Members of the Committee, the men and women of the Foreign Service are proud to serve this country. Their skills and dedication determine the success or failure of our foreign policy. Winning on the battlefield is vital, but we must also win to secure the peace.

The decisions you make with this bill will not only affect the lives of the members of the Foreign Service but will determine whether our country's representatives will have the necessary resources to achieve our foreign policy goals.

Thank you again for allowing me to share the Foreign Service perspective as you begin developing this very important bill.

[The prepared statement of Ms. Crane and material submitted for the record follow:]

PREPARED STATEMENT OF MS. LOUISE CRANE, VICE PRESIDENT, AMERICAN FOREIGN SERVICE ASSOCIATION, U.S. DEPARTMENT OF STATE

Mr. Chairman and members of the Subcommittee,

On behalf of the American Foreign Service Association and the 23,000 active-duty and retired members of the Foreign Service, I thank you for the opportunity to share our views and concerns as you review the Foreign Relations Authorization Act.

Mr. Chairman, I know I am preaching to the choir, but I wish to say, for the record, that the American Foreign Service Association considers the Foreign Relations Authorization Act very serious and important legislation. We deeply regret having gone for two years without authorizing legislation in this area. We have seen important programs like the Millennium Challenge initiative, the creation of the Office of the Coordinator for Reconstruction and Stabilization, and the HIV/AIDS initiative find their origins in appropriations legislation. The Foreign Service and foreign affairs agencies are just as much a part of our national security system as the armed services and Department of Defense. We serve on the front lines of this country's defense together. We both advance national interests abroad, and both protect our country from foreign threats, be they hostile nations, international terrorism, international crime and illegal drug cartels, efforts to manipulate international trade, or the myriad of other threats to our nation and our people.

This authorization bill establishes funding levels covering our foreign affairs agencies, and the tools of diplomacy. Most importantly, it provides Congressional input into the foreign policy that shapes our nation's role in the international arena. We congratulate and thank this committee and the House of Representatives for passing such a bill every year for the past several years. We hope this year we will be able to congratulate the Congress for enacting a Foreign Relations Authorization Act on its own terms and look forward to the time when the actual enactment of this bill will become as regular an occurrence as the passage of the Defense Department's authorization bill.

ADMINISTRATION FUNDING REQUEST.

I would like to provide the perspective of the men and women of the Foreign Service regarding the Administration's funding request and personnel proposals.

AFSA fully supports the request for the State Department's operating and embassy security accounts, and considers these minimum level requests. These funding levels will build on important initiatives started by Secretary of State Powell to improve the foreign affairs infrastructure. Only four short years ago, organizations like the Stimson Center, the Council on Foreign Relations, AFSA, and many others agreed that "The United States' overseas presence, which has provided the essential underpinnings of U.S. foreign policy for many decades, is near a state of crisis." We need to continue funding operation and security accounts to avert this crisis.

**DIPLOMATIC AND CONSULAR PROGRAMS.** AFSA fully supports the Administration's request for 221-additional generalist positions and an additional 55 security professionals for FY06. These requests are continuations of the Diplomatic Readiness Initiative (DRI) initiated by Secretary Powell in FY 2001, aiming over three years, to fill an identified staffing shortage of almost 1200 people. Without the necessary Civil and Foreign Service employees, our offices and overseas posts fell below critical mass, and, in too many cases, became dysfunctional. With Congress's support, we have filled these positions. However, both the FY05 and the current FY06 requests provide for further personnel increases above attrition.

However, the 1,158-staff shortage that prompted DRI was a pre-9/11 measurement. That world changed quickly and dramatically on September 11, 2001. Immediately, Foreign Service professionals found themselves facing new requirements. We had to change our missions' priorities and sometimes leave vacant those positions that DRI expansion was meant to fill. The new demands continue, from staffing embassies in Iraq and Afghanistan and new liaison and regional offices, to the staffing of security and support positions required by the expansion. At the same time, additional personnel is still needed to meet the original pre-9/11 targets. For instance, we still need a 15% training float so that we do not have to choose between training and leaving a position unfilled. Additional personnel is still essential.

**INFORMATION TECHNOLOGY FUNDS.** AFSA also fully supports the Administration's important IT Central Fund request of \$249 million. Those who are new to the Department, cannot imagine the outmoded information systems at the Department a few years ago. It was the world of the WANG machine, a 1970s format that made the Department a joke in the IT world. Today we have modern computers at our desks, e-mail, and access to the worldwide web. Great strides have been made but there is still a distance to go, and we will need continuing resources to ensure

that our information infrastructure remains abreast of all the technological advances. An up-to-date IT infrastructure is critical for our overseas missions. Again, AFSA fully endorses this request.

**EMBASSY SECURITY.** Mr. Chairman, AFSA appreciates the important role you personally, and this Subcommittee played in getting the necessary funding and legislation to begin securing our embassy soon after the bombings of our embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania. At that time, AFSA testified with Admiral William Crowe about the new threat environment created by international terrorists and the need for a coordinated, thorough response. I am pleased to report that the Department has made great progress, and that Congress has played an essential role in meeting the Administration's worldwide security funding requests. Further, the recent Capital Security Cost Sharing program halves the estimated construction time for the remaining new posts and embassies.

**SOFT TARGET SECURITY CONCERNS.** With improved security at our overseas posts, we are concerned that terrorists have expanded their reach to include "soft targets," a euphemism for attacks against us, our spouses and our children as we live at our posts and missions abroad. These are attacks against the schools our children attend and the school busses they ride, against our homes, the recreation centers and churches we attend, and the places we shop and dine as we live our daily lives. AFSA has received the assistance of Senate appropriators, particularly Senator Judd Gregg. We believe this issue should also be a matter for authorizers in their oversight capacity, and we urge the Subcommittee to consider the increasing danger to our Foreign Service and their families posed by terrorist focus on soft targets.

**TITLE III PERSONNEL ISSUES.** Beyond the funding issues, Mr. Chairman, we would like to address provisions in "Title III—Organization and Personnel of the Department of State." I would like to submit for this Subcommittee's consideration, AFSA's views on provisions in the Administration's request, and in the Senate Foreign Relations Committee bill, S. 600.

There are five areas I would like to highlight for the Subcommittee:

1. **PAY DISPARITY.** First among AFSA's issues, and requiring an authorization, is the elimination of the pay disparity existing for mid and entry-level Foreign Service employees serving in Washington and their colleagues serving abroad. AFSA requests an amendment to the 1980 Foreign Service Act, to create a category termed "Overseas Comparability Pay" which will provide Foreign Service employees overseas with the same salary they would receive if they were assigned to Washington, D.C.

This year, this morale-breaking pay disparity, a consequence of the Federal Employees Compensation Act of 1990, translates into a 15.98% reduction in the salary of a mid-level Foreign Service Employee the moment she boards a plane to her next assignment. AFSA has calculated that a Foreign Service generalist who joined the Service in 1995, who serves a standard 27-year career, and leaves the Service at the rank of FSO-01, will lose over \$440,000 in salary and retirement benefits compared with his counterpart who stayed in Washington the entire time. Certainly money is not the main attraction for serving in the Foreign Service, but this increasing pay disparity damages Service morale, and will make it more difficult for the department to staff many of its hardest-to-fill posts. The pay gap widens annually as the locality pay increase averages slightly more than 1% a year for federal employees working in Washington, D.C.

This disparity unintentionally negates the differentials provided to compensate for danger and hardship. Twenty years ago, 35 U.S. overseas posts were classified as "greatest hardship" at the maximum 25% differential rate. Today, 75 posts in 62 different countries are at the maximum rate, reflecting increasingly dangerous and harsh conditions in many parts of the world. The disparity between Washington, D.C. salaries and those overseas has caused these differentials to lose their effect, essentially reducing the amount of differential paid. For instance, non-senior State Department employees stationed in the most difficult environments in the world receive only 9 percent more pay than their colleagues in Washington, D.C., a far cry from the 25% incentive intended by the Overseas Differentials and Allowances Act (P.L. 86-707).

There is also the negative effect on the morale of our overseas colleagues when they know that the salaries of members of the Senior Foreign Service at their post as well as their counterparts in the intelligence agencies posted abroad all receive Washington D.C. level salaries. In 1993, when the Defense Intelligence Agency announced it was raising the salaries of its employees posted overseas to that of their Washington colleagues, it explained the move by saying it did not want the lower overseas salaries to provide a disincentive for overseas service. In light of these disparities, AFSA asks, "Why are we penalizing our lower-rank Foreign Service em-

ployees for their overseas service?" They are already making a considerable sacrifice in the lack of spousal employment in a dual income society, in inadequate schooling for their children and exposing their families to inadequate health care.

Some have suggested that comparability could be at the "rest of U.S." level, which is lower than the Washington, D.C. rate. The vast majority of Foreign Service personnel serving in the continental United States are posted in the Washington, D.C. area. A true comparison of pay disparity should therefore be with the Washington area. AFSA believes that comparability at less than the Washington, D.C.-area rate will continue to reduce the salary and benefits each member of the Foreign Service receives, will undermine the system of allowances and incentives for service in difficult and dangerous posts, adversely affecting both morale and staffing of those posts.

The Department of State's personnel managers privately recognize the inequity of this pay system, but will not publicly say so to the committee because they have been muzzled by Office of Management and Budget. OMB's decision is not to approve any move to make up the salary difference to those serving abroad.

AFSA requests that the existing pay disparity be eliminated by amending the 1980 Foreign Service Act to create an Overseas Comparability Pay system equal to the locality pay provided to federal employees in the Washington, D.C. area to begin in FY 07.

**2. RAISING DANGER AND HARDSHIP DIFFERENTIALS** Another issue you won't hear the Department's officials mention publicly, but privately they would like to have it, is an increase in the ceilings of both hardship and danger pay differentials from 25% to 35%. OMB only approved increasing the danger pay differential to 35% but not the hardship. However, last year the Foreign Relations Authorization bill passed by this House lifted the cap on both allowances to 35%. We urge you to do so again.

**3. REDUCING LOW RANKING REQUIREMENTS** Another item not in the Administration's request, but an issue which is very important to AFSA is the lowering of the 5% rule on separation from Foreign Service. The Foreign relations Authorization Act for Fiscal Years 1998 and 1999, Sec. 2311(b) requires the Foreign Service promotion boards to low rank 5% of every class reviewed. If an employee is so ranked two out of five years by two different officials, then the employee can be recommended for separation.

AFSA and the Department of State have struggled for years to implement this rule fairly. This arbitrary rule harms the process of selecting employees for promotion and has a deleterious effect on morale. Its arbitrariness forces the selection boards to low rank people on capricious grounds unrelated to performance such as a pattern of assignments. AFSA assists employees with grievances based on the promotion panels' misuse of the procedures and procedural errors. For example, in their efforts to meet the quota, boards will repeatedly cite the same passage in an evaluation report. This violates the department's procedures. The resulting grievances are an unnecessary burden on both the employee and the department which cannot defend the boards' actions in an impartial forum.

Selection boards report that low ranking 2-3% of a class is not an issue; however, an arbitrary quota of 5% results in unwarranted grievances and poor morale.

AFSA urges the committee to adopt AFSA's proposal to amend PL 105-277 to lower the percentage of mandatory low ranking from 5% to 2%. This will enhance morale and reduce the number of time-consuming and ultimately successful grievances.

**4. STRENGTHENING THE AUTHORITY OF THE FOREIGN SERVICE GRIEVANCE BOARD.** In the Foreign Service Personnel System, the Foreign Service Grievance Board (FSGB) plays an important role in employee-management dispute adjudication similar to the role filled by the Merit System Protection Board (MSPB) for the Civil Service. We believe the FSGB's authority should be expanded in several areas to provide Foreign Service employees the same protections provided to the Civil Service.

Beyond the restoration of Interim Relief authority in the Administration's request, AFSA requests four additional authorities to be provided to the Foreign Service Grievance Board. We believe that

- a. The FSGB, like the Merit Systems Protections Board, should have the authority to enforce its decisions,
- b. The FSGB Interim Relief authority should be expanded to provide stays in cases involving the collection of alleged overpayments of annuities,
- c. The FSGB should have the authority to adjudicate cases regarding the operation of a Foreign Service Reduction in force. Currently the authority over

- a RIF is split between the FSGB and the MSPB but the MSPB has neither the experience nor case history regarding a RIF in the Foreign Service, and
- d. The FSGB should have the authority to issue subpoenas requiring testimony and documents from witnesses who are either currently in the active Service or who are not directly under the control of the agency involved in a grievance.

5. *DEATH GRATUITY.* AFSA requests that the Subcommittee consider a Death Gratuity benefit provided to members of the Foreign Service and other civilian Federal employees working to advance the interests and foreign policy of the United States.

Within the last six years, members of Foreign Service have been killed in Kenya, Tanzania, Jordan, Pakistan, and Iraq. The Foreign Service honors our colleagues killed abroad on two memorial plaques in the diplomatic entrance of the Department of State. There are now 215 names on those plaques, 141 added since the end of World War II. 104 of those named died from terrorist attacks or hostile action. Sadly, we will be adding three more names to the memorial plaque this May during Foreign Affairs Day.

In recognition of the increasingly dangerous nature of civilian service abroad, we ask the Subcommittee to add provisions increasing the death benefit for members of the Foreign Service and other civilian Federal employees working to advance the interests and foreign policy of this nation. Recently the FY 05 Supplemental Appropriations legislation, H.R. 1268 increased the death gratuity for our military. AFSA fully supported this increase. But, when our federal employees are killed abroad, their families suffer the same hardship as families who lose a member of the armed services and they too need assistance. AFSA has read the statements of the widows of employees killed in the 1983 bombing of the U.S. embassy in Beirut. They all told of the great difficulty they had in relocating their families back to the United States, the financial constraints they were under and the special difficulty they encountered in finding employment. Because they had been overseas for some years, they had not worked and had not built that network of contacts so many employment counselors say is critical for finding employment.

Further, many other U.S. agencies such as the Department of the Treasury and the Department of Justice use the embassies as platforms for their own international work, but their personnel are not covered under the death gratuity provision in the Foreign Service Act.

AFSA is requesting this provision on behalf of the specialists and junior officers of the Foreign Service. The mean rank of a Foreign Service employee today is a 03 Step 4 with base pay of \$64,302. Survivors of our lowest-paid employees will most need the increased death gratuity as they work to overcome the death of their loved one and resettle in the U.S. The State Department's Office of Casualty Assistance notes that families of those killed in Nairobi and Dar es Salaam encountered very high initial expenses while awaiting benefits under the Federal Employees Compensation Program. The families of federal employees killed in the line of duty overseas must relocate to the United States and pay the additional costs associated with moving to a new community, finding housing, and establishing a household. AFSA believes this is the least we can do to help survivors of our Foreign Service and other federal civilian employees who are killed in the line of duty serving this Nation.

Mr. Chairman and members of this Subcommittee, the men and women of the Foreign Service are proud to serve our country. Their skills and dedication determine the success or failure of our foreign policy and the security of our nation. Winning on the battlefield is vital, but we must also win and secure peace. The decisions you make with this bill will not only affect the lives of the members of the Foreign Service, but will determine whether our country's representatives will have the resources to achieve our foreign policy goals. Today, engagement in the world is not a choice. It is a necessity. Our choice is simply "how well will we do the job given us." Your action will determine whether or not we will have the tools to do our job of protecting our country even better.

Mr. Chairman and members of the Subcommittee, thank you again for allowing me to share the views of the Foreign Service as you begin the process of developing the Foreign Relations Authorization Act.

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ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD BY MS. LOUISE CRANE, VICE PRESIDENT, AMERICAN FOREIGN SERVICE ASSOCIATION, U.S. DEPARTMENT OF STATE

AMERICAN FOREIGN SERVICE ASSOCIATION,  
WASHINGTON, DC, APRIL 14, 2005.

Hon. CHRIS SMITH, *Chairman,*  
*Subcommittee on Africa, Global Human Rights and International Operations,*  
*Committee on International Relations,*  
*House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: As the Subcommittee prepares to work on the Foreign Relations Authorization Act, we at AFSA appreciate the opportunity to share our concerns with you and your staff regarding issues of particular importance to the men and women of the Foreign Service. This letter will touch briefly on those issues. The enclosed discussion papers explain our perspective in greater detail.

**AUTHORIZATION OF APPROPRIATIONS.** There are many provisions in the administration's request that would help ensure our colleagues' security and furnish essential diplomatic tools for their mission. AFSA therefore urges the authorization for appropriations be provided, at a minimum, at levels requested by the administration. We believe, however, that there are areas requiring additional authorization and appropriations to support programs and initiatives important to the Foreign Service. We urge you consider these areas as you develop your bill.

**PAY DISPARITY.** First among AFSA's issues requiring an authorization is the elimination of the existing pay disparity between Foreign Service employees serving in Washington, D.C. and abroad. This pay disparity is the result of the locality pay system for federal employees working in the continental United States—a system that does not extend to those serving abroad. Today, this disparity causes a 16% loss in base pay for Foreign Service personnel serving abroad. AFSA has calculated that a Foreign Service generalist joining the Service in 1995, serving a normal 27-year career, and leaving the Service as a FS-1, would lose over \$440,000 in salary and retirement benefits over the course of that career (*see Attachment 1*). Certainly members of the Foreign Service serve abroad for more than money, but this increasing pay disparity hurts Service morale, and is making it more difficult for the department to staff many of its hardest to fill posts. AFSA seeks to end this pay disparity by creating Overseas Comparability Pay—similar to that provided by intelligence agencies—that would be equal to the Washington, D.C. pay rate.

Some have suggested that comparability could be at the "rest of U.S." level, which is lower than the Washington, D.C. rate. The vast majority of Foreign Service personnel serving in the continental United States are posted in the Washington, D.C. area. A true comparison of pay disparity should therefore be with the Washington area. AFSA believes that comparability at less than the Washington, D.C.-area rate will continue to reduce the salary and benefits each member of the Foreign Service receives, will undermine the system of allowances and incentives for service in difficult and dangerous posts, and will adversely affect both the morale and staffing of those posts.

Finally, AFSA reminds the Committee that in January 2004, the salary of all members of the Senior Foreign Service serving overseas was raised to the Washington level. With the intelligence community posted abroad already receiving Washington, D.C. level salaries also, AFSA asks why we are penalizing our lower-rank Foreign Service employees for their overseas service?

**THE ADMINISTRATION REQUEST.** There are many provisions in the administration's request that AFSA fully supports. Many of these provisions were also included in the Senate Foreign Relations Committee's reported bill, S. 600. Those provisions are:

- ADMINISTRATION REQUEST SEC. 301—**EDUCATION ALLOWANCE.** **AFSA supports** the Administration's request to expand education allowances which would, in this increasingly dangerous world, permit parents to send their children to schools in the United States if there were no suitable schools at post (Sec 301 Senate bill S. 600);
- ADMINISTRATION REQUEST SEC. 309—**REHIRED ANNUITANTS.** **AFSA supports** the Administration's request to expand the Secretary of State's authority to waive limitations on re-employment of Foreign Service annuitants so that a larger reserve force would be available to the Secretary when surge or additional capacity is required (Sec. 307 in Senate bill S. 600);
- ADMINISTRATION REQUEST SEC. 311—> **RESTORATION OF INTERIM RELIEF.** **AFSA supports** the Administration's request to restore INTERIM Relief authority to the Foreign Service Grievance Board in those cases not in-

volving separation for cause. This provision would allow the Board could stay administrative actions in those cases that it felt could be meritorious and deserved a full review before action is taken (Sec. 310 in Senate bill S. 600); and

- **ADMINISTRATION REQUEST SEC. 315—BONUSES.** AFSA supports the Administration's request to provide the Secretary of State with the authority to grant, at the Secretary's discretion, recruitment, relocation and retention bonuses to members of the Foreign Service (Sec. 314 in Senate bill S. 600).

**AFSA DIFFERENCES WITH THE ADMINISTRATION'S REQUEST OR WITH THE SENATE FOREIGN RELATIONS COMMITTEE REPORTED BILL, S. 600**

**I. DIFFERENCES WITH ADMINISTRATION.**

- **INCREASE HARDSHIP DIFFERENTIALS AND DANGER ALLOWANCE.** The Administration sought to increase the cap of **only the Danger Pay** allowance from 25% to 35%. **AFSA supports Sec. 303 of S. 600 and urges the inclusion of a similar provision in the House bill.** This section would increase the ceilings of both the hardship differential and the danger allowance from 25 percent to 35 percent in order to recognize that compression has occurred, and allowing proper compensation to those serving in the handful of "super hard" and "super dangerous" posts (*see Attachment 2*);
- **REDUCE THE LOW-RANKING REQUIREMENT.** **AFSA supports Sec. 309 of S. 600 and urges the inclusion of a similar provision in the House bill.** This provision would reduce the current requirements on Foreign Service Performance Boards to identify and low-rank the bottom 5% percent of those reviewed to identifying and low ranking the bottom 2% (*See Attachment 3*);
- **PART-TIME, INTERMEDIATE AND TEMPORARY EMPLOYEES AND ANNUITIES.** **AFSA supports Sec. 312 of S. 600 and urges the inclusion of a similar provision in the House bill.** This provision provides a deadline for the Office of Personnel Management to issue regulations implementing Section 321(f) of PL 107-228 so that those who worked abroad as PITs from 1989 to 1998 could gain retirement credit for their service—as already provided by the Congress (*See Attachment 4*);
- **U.S. REPRESENTATIVES TO THE U.N.** **AFSA supports S. 318 of S. 600 and urges the inclusion of a similar provision in the house bill.** This provision expands the provision of living quarters and allowances to the United States Representatives to the United Nations, by increasing from 30 to 40 the number of U.S. Government officials who may be provided housing by the Secretary of State while serving at the U.S. Mission to the U.N. and exempting the housing allowance from taxation as is already done in the case of overseas housing benefits.
- **ADMINISTRATION REQUEST SEC. 310. SUSPENSION OF FOREIGN SERVICE MEMBERS WITHOUT PAY.** **AFSA disagrees with the Administration and opposes this provision as unnecessary.** AFSA questions why the State Department needs this authority, given that it already has the authority to separate an employee for cause, even in the absence of a criminal conviction, based on the underlying misconduct.

The Administration asserts that this authority is needed because "no administrative action can be taken against the employee until a conviction." However, this statement is not accurate, as the department may move to separate an employee for cause based on the underlying misconduct. The employee is entitled to 15 days to respond if assigned to the U.S. and 30 days if assigned outside the country. The employee also has the right to meet with the Foreign Service Director General. Once the Director General decides to separate the employee, he or she is placed in a leave-without-pay status pending a hearing before the Foreign Service Grievance Board. Furthermore, the employee remains in a leave-without-pay status during the entire process.

For all these reasons, we believe the State Department already has ample authority in these cases. We therefore oppose the requested expansion of the Department's authority.

**II. DIFFERENCES WITH THE SENATE FOREIGN RELATIONS COMMITTEE-REPORTED BILL, S. 600.**

- **ADMINISTRATION REQUEST SEC. 305—COMPENSATORY TIME FOR TRAVEL.** **AFSA supports the Administration's Request and urges its inclusion in the Committee bill.** While the request is more limited for the Foreign Service than the Civil Service, AFSA supports the Administration's

request and accepts its reasons for not proposing provisions that would be similar to those for the Civil Service. *AFSA requests, however, that the Committee Report accompanying the legislation clearly expresses the union's right to negotiate implementation rules. Since the Secretary would have the discretion to provide compensatory time for travel to Foreign Service employees, AFSA should have the right to negotiate implementation of these rules under the case law of the Federal Labor Relations Authority.* (This provision is not part of the Senate Foreign Relations Committee reported bill, S. 600.)

**NEW AREAS OF AUTHORITY FOR THE FOREIGN SERVICE GRIEVANCE BOARD.** AFSA seeks four new areas of authority for the Foreign Service Grievance Board beyond the Administration's previously requested restoration of Interim Relief to the Foreign Service Grievance Board (Sec. 311). AFSA believes that:

- a. The Foreign Service Grievance Board should have the authority to enforce its decisions (*see Attachment 5*);
- b. The Foreign Service Grievance Board's Interim Relief authority should be expanded to include providing a stay in cases involving the collection of alleged overpayments of annuities (*see Attachment 6*);
- c. The Foreign Service Grievance Board should have the authority to adjudicate cases regarding the operation of a Foreign Service Reduction in Force (*see Attachment 7*); and
- d. The Foreign Service Grievance Board should have the authority to issue subpoenas requiring testimony and documents from witnesses who are either currently in the active Service or who are not directly under the control of the agency involved in a grievance (*see Attachment 8*).

**DEATH GRATUITY FOR THE FOREIGN SERVICE.** Section 413 of the 1980 Foreign Service Act (PL 96-465), as amended, permits the Secretary of State to provide a death gratuity equal to one year's salary "to the surviving dependents of any Foreign Service employee who dies as a result of injuries sustained in the performance of duty abroad." AFSA believes that level of compensation no longer meets the needs of the majority of Foreign Service employees and, particularly, of our newer officers and our specialists. AFSA therefore seeks an amendment to provide for tax-exempt payment of \$100,000 or one year's salary, whichever is greater (*see Attachment 9*).

Mr. Chairman, we sincerely hope our suggestions will be assistance and be included in the Foreign Relations Authorization legislation. If you have any questions, please feel free to contact me at (202) 944-5502, or by e-mail at [limbert@afsa.org](mailto:limbert@afsa.org). I can also be reached through AFSA's Director of Congressional Relations, Ken Nakamura, at (202) 944-5517, or by e-mail at [nakamura@afsa.org](mailto:nakamura@afsa.org). Thank you again for your past assistance and your support in these important matters.

Sincerely,

JOHN W. LIMBERT (AMB.), *President.*

Mr. SMITH. Ms. Crane, thank you so very much for your testimony and for your very specific examples as well as recommendations as to what the Subcommittee should do.

I point out that we will fight, as we have in the past—when I was International Operations and Global Human Rights Chairman previously, we fought very hard with the appropriators, who with one sentence could waive the need for an authorization. And I made that a major part, along with Ben Gilman, who was then the Full Committee Chairman, to ensure that that did not happen.

And it did not happen with the 2000 act, because we—because of all of the language, all of the vetting, all of the information that is provided by you and others, that found its way into that legislation, as well our own ideas, were just completely made moot, because they could just waive the need for an authorization bill.

So I am with you on that we absolutely need for all of—the policy language needs to be here to ensure that we do this every 3 years just like we do the DoD authorization bill. And I know Chairman Hyde is deeply committed to that as well.

Let me just also say on the death benefit—and the other points you have made—I am fully in accord with that. I chaired the Vet-



erans' Affairs Committee for 4 years, was on that Committee for 24. The first bill that I sent to President Bush was to raise the service members group life insurance from \$200,000 to \$250,000.

And while that is a purchased life insurance, it is very much reduced to what it normally would be. And virtually every one of our servicemen and women who have died in Iraq and Afghanistan, you know, if it is any consolation to their widows, they got at least \$50,000 more than they would have gotten had it not been for that legislation.

In like manner, I was very much in favor of the 9/11 widows getting adequately compensated for their loss, even though it seems, from some people's point of view, excessive, since they got \$1 million to \$2 million, some as many as \$3 million. That was in the context, as you know, of being a wrongful death. And it was to avert the slew of lawsuits that probably would have gone to the airlines.

So there was a mixed motive for that by the Congress—I am not saying a bad motive, but certainly a mixed one. So I will work very hard for that as well. We just recently, as a Congress, passed an additional death benefit, as you know, for those killed in Iraq or in the performance of their duty. So this I think is very appropriate. So I will work toward that. I can tell you.

On the soft targets, I want to see what we can do to be helpful there as well.

Ms. CRANE. Thank you.

Mr. SMITH. This was a hard target. I know that you were in Lima yourself. The day I went down to Lima on one of my human rights trips a few years ago was the very day that it was bombed. Nobody was hurt. It was a little bit after hours, but the long corridors and the glass helped the defenses work.

The soft target issue, I think, is more complex, and we do not want it to be, you know, fortress America for anywhere we go, but particularly when people want to be out among the population. But it is a very, very important issue that we need to focus on. And every recommendation you have, we want to try to protect our men and women abroad.

Thank you for speaking for them on that, because, you know, most Americans, I do not think, fully recognize or appreciate just how many hardships are endured, deprivations are endured, and even the spousal issue you mentioned in terms of employment is—your point was very well taken.

I would want to point out to you that Eleanor Nagy, to my right, who is our director of policy for the Subcommittee and really brings an enormous amount, a wealth of information to the Subcommittee, is really a Pearson Fellow. She has been in the Foreign Service for 17 years. Her last posting was in Macedonia as DCM, and believe me, having someone with that kind of know-how and insight as Eleanor, we are very much grateful on the Committee to have her.

Ms. CRANE. Thank you very much, Mr. Chairman, for hosting Foreign Services officers on your staff. AFSA recently negotiated a new career development path for Foreign Service with the director general of the Foreign Service.

And one of the things we recommended and he adopted was more details outside of the Department, to learn more about the com-

plexity of foreign relations and international affairs. One of the things they are going to do is indeed encourage more Foreign Service officers to serve a detail on a congressional staff.

Mr. SMITH. That is great. I think it is a win-win for everyone.

Let me just finally say, if you have anything to add, your testimony was very comprehensive so you answered the questions before they could be asked. I want to thank you, and, Ken, nice to see you again. And we deeply appreciate your insights and look forward to working with you as we go forward.

Ms. CRANE. Thank you very much, Mr. Chairman.

Mr. SMITH. The hearing is adjourned.

[Whereupon, at 4:08 p.m., the Subcommittee was adjourned.]

